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July 15, 2004

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station, 2<sup>nd</sup> Floor  
Boston, MA 02110

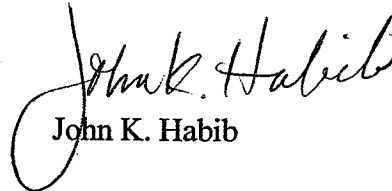
RE: Investigation Regarding the Assignment of Interstate Pipeline Capacity Pursuant to D.T.E. 98-32-B, D.T.E. 04-1

Dear Ms. Cottrell:

Please find attached the responses of NSTAR Gas Company (the "Company") to the information requests of the Department of Telecommunications and Energy (the "Department") in the above-referenced proceeding listed on the accompanying page. The Company will respond to Information Request DTE 2-6 as soon as it is completed.

If you have any questions regarding this filing, please do not hesitate to contact me.

Sincerely,



John K. Habib

Enclosures

cc: Service List  
James Daly  
Kerry Britland  
Tam Ly

**Responses to Information Requests Filed Herewith**

DTE-LDC-5 (Supplemental)

DTE-LDC-7 (Supplemental)

DTE-LDC-12 (Supplemental)

DTE-2-1

DTE-2-3

DTE-2-4

DTE-2-5

DTE-2-6

DTE-2-7

DTE-2-8

Information Request DTE-2-1

All parties should comment on the nature and magnitude of any potential commodity-cost implications of a shift to a path, rather than slice-of-system, approach to capacity assignment, as raised in Bay State Gas Company's Reply Comments, at p. 6.

Response

NSTAR Gas Company is fully in agreement with Bay State Gas Company's comments on this issue. As further evidence of the potential differentials, consider the month of February 2004. The table below shows the first of the month indices for five of the Gulf Coast supply zones that are currently included in the mandatory capacity assignment. The far right column shows the same indices plus the variable cost of transporting the gas from the Gulf Coast to New England. As the table clearly shows, there can be significant differences between the delivered cost of gas even when all of the gas originates in the same general region.

Index Location	Inside FERC Index	Index + Pipeline Variable Charges and Pipeline Fuel
Texas Eastern – East Louisiana	\$5.75	\$6.56
Texas Eastern – South Texas	\$5.32	\$6.18
Texas Eastern – West Louisiana	\$5.75	\$6.60
Tennessee – 100 Leg (Texas)	\$5.32	\$5.99
Tennessee – 500 Leg (Louisiana)	\$5.70	\$6.34

For this reason, a shift to the path approach must include a calculated true-up of commodity costs in addition to the true-up of fixed gas costs to prevent unfair cost shifting.

Information Request DTE-2-3

Discuss the question as to (i) whether a shift to the path capacity-assignment standard will ease administrative burdens of contract management and thereby increase competitiveness of marketers and (ii) assuming a fully and workably competitive Massachusetts gas market, whether the impact of path-specific commodity-cost differentials will diminish as transportation volumes increase as a percentage of LDC throughput.

Response

- (i) A shift to the path capacity-assignment standard has the potential to result in improved efficiency for marketers because it would allow marketers to purchase gas in larger blocks. However, a shift to the path approach would not be likely to provide marketers with a significant enough level of savings to increase their competitiveness unless the commodity cost issue discussed in response to Information Request DTE-2-1 is not resolved in a manner that prevents unfair cost shifting.
- (ii) On a unit rate basis, path-specific commodity cost differentials would always exist and result in unfair cost shifting unless they are addressed through a true-up mechanism. With a properly designed true-up mechanism, there would be little or no impact from path-specific commodity cost differentials regardless of how competitive the gas market is.

Information Request DTE-2-4

Assuming the Department were to adopt a standard of path-based capacity assignment, please enumerate and discuss what Terms and Conditions changes might be necessary to implement such a shift.

Response

A change to the path-based approach to capacity assignment would necessitate a number of changes to the Terms and Conditions (T&Cs) in addition to simply changing all references to slice of system to path. First, the T&Cs would have to address the methodology used by LDCs to determine which paths are to be assigned. The T&Cs should address this methodology in a way that allows LDCs and marketers to work together towards a solution, while providing a fall-back methodology for cases where parties are unable to agree. Second, to prevent unfair cost shifting, the T&Cs would have to include a provision allowing the LDCs to calculate the fixed and variable cost differentials between the individual paths released to marketers and the overall system supply cost. If the calculations are comprehensive and accurate enough, transportation and sales customers should be indifferent as to which paths are selected from a cost basis. Also, the T&Cs would have to be revised to address any changes to storage that result from a switch to the path approach.

Information Request DTE 2-5

What Terms and Conditions changes might need to be implemented in order that a shift to the path capacity-assignment standard would spare firm and transportation customers of any commodity-cost subsidization?

Response

To avoid commodity cost subsidization, the terms and conditions would require a comprehensive true-up calculation. This calculation would be performed on a monthly basis by each LDC and would be solved for zero, where zero is the differential between the 100 percent load factor LDC cost of gas and the 100% load factor cost of gas for marketers assuming the same monthly commodity prices.

Information Request DTE-2-6

Each LDC should address whether or not it releases capacity on a monthly basis or some other basis, such as the term of the underlying contract, noting the relevant provisions of the company's Terms and Conditions, and explaining any variance from those provisions.

Response

NSTAR Gas Company releases capacity to marketers on a monthly basis. The Company's current Terms and Conditions call for contracts to be "released for a term beginning on the first day of the Month following the Assignment Date, and ending on the following October 31." This variance is due to changes in how the energy industry views counterparty credit in the "post Enron" world. The Company's response to Information Request DTE-LDC-1-13(b) provides more details on the specific credit concerns that led to the variance.

Information Request DTE-2-7

If the Department were to decline to adopt the terms and conditions changes proposed by the marketers<sup>1</sup> and adopted a path approach instead of a slice-of-system approach, please address the effect on system operations and competition.

Response

In this scenario, the only operational impacts that the Company could foresee would be the loss of supply diversity discussed in the Company's response to Information Request DTE-2-2 and the possibility for minor problems during the initial transition between capacity assignment approaches. The Company's view on how a switch to the path approach would impact competition is stated in the response to Information Request DTE-2-3.

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These changes include: (i) monthly re-call and re-release of capacity; (ii) balancing penalty provisions, (iii) synchronization of nomination deadlines and procedures with industry standards; (iv) marketer access to the algorithms used by LDCs to forecast the usage of non-daily metered customers; and (v) modification of the algorithms used to forecast the usage of non-daily metered customers for summer and winter loads to exclude weather sensitivity calculations.



Information Request DTE-2-8

If the Department were to adopt the terms and conditions changes proposed by the marketers and maintained the slice-of-system policy, please address the effect on system operations and competition.

Response

Each of the referenced terms and conditions is addressed individually below:

- (i) Monthly recall and re-release of capacity: The methodology proposed by marketers would result in a slightly higher level of credit risk for LDC sales customers given the current size of marketer pools. Any increase in the size of individual marketer pools would result in a higher level of credit risk. Please see the Company's response to DTE-2-6 for a more complete discussion of the credit risk.
- (ii) Balancing penalty provisions: Any reduction in penalty charges has the potential to decrease the incentive for marketers to deliver gas during periods of critical need.
- (iii) Synchronization of nomination deadlines and procedures with industry standards: NSTAR Gas is already synchronized with industry standards.
- (iv) Marketer access to algorithms used by LDCs to forecast the usage of non-daily metered customers: The Company makes these algorithms available to marketers upon request, provided that the marketer is requesting algorithms for its own customers.
- (v) Modification of the algorithms used to forecast the usage of non-daily metered customers for summer and winter loads to exclude weather sensitivity calculations: The inclusion of weather sensitivity is critical to LDCs for two reasons: 1) allowing marketers to deliver fixed daily volumes of gas to serve load that varies daily due to weather would put operational strain on LDC systems; and; 2) requiring the LDC to fund the cost of balancing for customers that are not paying for LDC gas supply would unfairly shift said balancing costs to LDC sales customers.

Information Request DTE-LDC-1-5

Please provide information on transportation service for the period 1996-present on a seasonal basis (heating and non-heating seasons) as it is depicted in attached Table 1: "Transportation Service"

Response (Supplemental)

Please see Attachment DTE-LDC-1-5.

Table 1 Transportation Service

2003-W	Capacity Exempt					Non-Capacity Exempt				
	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	0.0%	-	0.0%	-	3	100.0%	41	100.0%	14
R3,R4	-	0.0%	-	0.0%	-	48	100.0%	10,110	100.0%	211
G41	27	9.8%	16,184	13.3%	599	249	90.2%	105,874	86.7%	425
G42	268	47.1%	811,213	51.9%	3,027	301	52.9%	752,147	48.1%	2,499
G43	161	85.6%	1,488,781	82.6%	9,247	27	14.4%	313,041	17.4%	11,594
G51	14	8.9%	62,870	51.2%	4,491	143	91.1%	59,999	48.8%	420
G52	95	35.4%	282,788	48.8%	2,977	173	64.6%	296,986	51.2%	1,717
G53	90	94.9%	2,312,353	93.4%	25,641	5	5.1%	164,285	6.6%	34,092
T1	12	100.0%	1,046,879	100.0%	87,240	-	0.0%	-	0.0%	-
Total	667	41.3%	6,021,068	78.0%	9,025	949	58.7%	1,702,483	22.0%	1,794

2003-S	Capacity Exempt					Non-Capacity Exempt				
	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	0.0%	-	0.0%	-	3	0.0%	39	100.0%	13
R3,R4	-	0.0%	-	0.0%	-	48	100.0%	3,143	100.0%	65
G41	27	9.8%	2,527	7.7%	94	249	90.2%	30,298	92.3%	122
G42	268	47.1%	198,700	54.5%	741	301	52.9%	165,895	45.5%	551
G43	161	85.6%	342,406	84.3%	2,127	27	14.4%	63,653	15.7%	2,358
G51	14	8.9%	14,651	27.9%	1,046	143	91.1%	37,778	72.1%	264
G52	95	35.4%	180,748	48.6%	1,903	173	64.6%	190,958	51.4%	1,104
G53	90	94.9%	1,718,937	94.3%	19,061	5	5.1%	103,025	5.7%	21,380
T1	12	100.0%	772,685	100.0%	64,390	-	0.0%	-	0.0%	-
Total	667	41.3%	3,230,653	84.5%	4,842	949	58.7%	594,790	15.5%	627

D.T.E. 04-1

First Set of Information Request

Table 1 Transportation Service

2002-W	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	1	100.00%	3	100.00%	3
R3,R4	-	-	-	-	-	27	100.00%	4,602	100.00%	170
G41	29	11.55%	15,696	13.64%	541	222	88.45%	99,411	86.36%	448
G42	270	53.05%	771,747	59.12%	2,858	239	46.95%	533,720	40.88%	2,233
G43	177	91.24%	940,630	88.78%	5,314	17	8.76%	118,856	11.22%	6,992
G51	13	7.47%	8,257	11.67%	635	161	92.53%	62,499	88.33%	388
G52	99	35.74%	293,498	53.44%	2,965	178	64.26%	255,721	46.56%	1,437
G53	84	94.89%	1,728,859	95.47%	20,498	5	5.11%	81,953	4.53%	18,045
T1	16	100.00%	1,046,411	100.00%	65,401	-	0.00%	-	0.00%	-
Total	688	44.76%	4,805,097	80.60%	6,981	850	55.24%	1,156,765	19.40%	1,362

2002-S	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	1	0.00%	4	100.00%	4
R3,R4	-	-	-	-	-	27	100.00%	1,271	100.00%	47
G41	29	11.55%	3,299	9.35%	114	222	88.45%	31,972	90.65%	144
G42	270	53.05%	200,721	62.21%	743	239	46.95%	121,928	37.79%	510
G43	177	91.24%	353,693	89.64%	1,998	17	8.76%	40,887	10.36%	2,405
G51	13	7.47%	4,368	10.00%	336	161	92.53%	39,303	90.00%	244
G52	99	35.74%	238,083	58.20%	2,405	178	64.26%	171,021	41.80%	961
G53	84	94.89%	1,728,355	95.84%	20,492	5	5.11%	75,049	4.16%	16,525
T1	16	100.00%	853,260	100.00%	53,329	-	0.00%	-	0.00%	-
Total	688	44.76%	3,381,778	87.54%	4,913	850	55.24%	481,434	12.46%	567

D.T.E. 04-1

First Set of Information Request

Table 1 Transportation Service

2001-W	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	3	100.00%	26	100.00%	9
R3,R4	-	-	-	-	-	27	100.00%	4,912	100.00%	182
G41	28	11.38%	16,278	13.05%	581	218	88.62%	108,443	86.95%	497
G42	276	51.40%	832,461	56.87%	3,016	261	48.60%	631,341	43.13%	2,419
G43	169	89.89%	1,153,243	84.86%	6,824	19	10.11%	205,773	15.14%	10,830
G51	12	7.27%	3,186	4.60%	266	153	92.73%	66,093	95.40%	432
G52	123	36.50%	346,096	50.05%	2,814	214	63.50%	345,404	49.95%	1,614
G53	103	95.86%	2,215,607	94.78%	21,464	4	4.14%	122,084	5.22%	27,399
T1	16	100.00%	1,183,907	100.00%	74,773	-	0.00%	-	0.00%	-
Total	727	44.70%	5,750,777	79.49%	7,910	899	55.30%	1,484,075	20.51%	1,650

2001-S	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	3	0.00%	21	100.00%	7
R3,R4	-	-	-	-	-	27	100.00%	1,279	100.00%	47
G41	28	11.38%	2,737	8.84%	98	218	88.62%	28,242	91.16%	130
G42	276	51.40%	173,264	59.98%	628	261	48.60%	115,604	40.02%	443
G43	169	89.89%	273,814	87.11%	1,620	19	10.11%	40,511	12.89%	2,132
G51	12	7.27%	2,277	5.52%	190	153	92.73%	38,986	94.48%	255
G52	123	36.50%	218,194	50.20%	1,774	214	63.50%	216,494	49.80%	1,012
G53	103	95.86%	1,635,167	95.25%	15,841	4	4.14%	81,530	4.75%	18,298
T1	16	100.00%	951,651	100.00%	60,104	-	0.00%	-	0.00%	-
Total	727	44.70%	3,257,104	86.17%	4,480	899	55.30%	522,667	13.83%	581

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First Set of Information Request

Table 1 Transportation Service

2000-W	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	-	-	-	-	-
R3,R4	-	-	-	-	-	-	-	-	-	-
G41	42	100.00%	26,246	100.00%	622	-	0.00%	-	0.00%	-
G42	324	100.00%	1,053,693	100.00%	3,249	-	0.00%	-	0.00%	-
G43	85	100.00%	1,380,820	100.00%	16,309	-	0.00%	-	0.00%	-
G51	17	100.00%	26,245	100.00%	1,544	-	0.00%	-	0.00%	-
G52	152	100.00%	459,030	100.00%	3,023	-	0.00%	-	0.00%	-
G53	88	100.00%	2,332,787	100.00%	26,434	-	0.00%	-	0.00%	-
T1	12	100.00%	1,226,302	100.00%	102,192	-	0.00%	-	0.00%	-
Total	720	100.00%	6,505,124	100.00%	9,032	-	0.00%	-	0.00%	-

2000-S	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	-	-	-	-	-
R3,R4	-	-	-	-	-	-	-	-	-	-
G41	42	100.00%	6,044	100.00%	143	-	0.00%	-	0.00%	-
G42	324	100.00%	298,193	100.00%	919	-	0.00%	-	0.00%	-
G43	85	100.00%	470,155	100.00%	5,553	-	0.00%	-	0.00%	-
G51	17	100.00%	8,415	100.00%	495	-	0.00%	-	0.00%	-
G52	152	100.00%	299,732	100.00%	1,974	-	0.00%	-	0.00%	-
G53	88	100.00%	1,739,270	100.00%	19,708	-	0.00%	-	0.00%	-
T1	12	100.00%	1,024,471	100.00%	85,373	-	0.00%	-	0.00%	-
Total	720	100.00%	3,846,281	100.00%	5,340	-	0.00%	-	0.00%	-

D.T.E. 04-1

First Set of Information Request

Table 1 Transportation Service

1999-W	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	-	-	-	-	-
R3,R4	-	-	-	-	-	-	-	-	-	-
G41	43	100.00%	56,236	100.00%	1,321	-	0.00%	-	0.00%	-
G42	271	100.00%	862,902	100.00%	3,186	-	0.00%	-	0.00%	-
G43	69	100.00%	1,148,388	100.00%	16,724	-	0.00%	-	0.00%	-
G51	16	100.00%	27,797	100.00%	1,793	-	0.00%	-	0.00%	-
G52	130	100.00%	386,731	100.00%	2,965	-	0.00%	-	0.00%	-
G53	84	100.00%	2,332,787	100.00%	27,634	-	0.00%	-	0.00%	-
T1	17	100.00%	1,381,080	100.00%	81,240	-	0.00%	-	0.00%	-
Total	629	100.00%	6,195,921	100.00%	9,844	-	0.00%	-	0.00%	-

1999-S	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	-	-	-	-	-
R3,R4	-	-	-	-	-	-	-	-	-	-
G41	43	100.00%	15,798	100.00%	371	-	0.00%	-	0.00%	-
G42	271	100.00%	235,165	100.00%	868	-	0.00%	-	0.00%	-
G43	69	100.00%	367,285	100.00%	5,349	-	0.00%	-	0.00%	-
G51	16	100.00%	6,692	100.00%	432	-	0.00%	-	0.00%	-
G52	130	100.00%	258,170	100.00%	1,980	-	0.00%	-	0.00%	-
G53	84	100.00%	1,739,270	100.00%	20,603	-	0.00%	-	0.00%	-
T1	17	100.00%	997,006	100.00%	58,647	-	0.00%	-	0.00%	-
Total	629	100.00%	3,619,386	100.00%	5,750	-	0.00%	-	0.00%	-

D.T.E. 04-1

First Set of Information Request

Table 1 Transportation Service

1998-W	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	-	-	-	-	-
R3,R4	-	-	-	-	-	-	-	-	-	-
G41	7	100.00%	3,386	100.00%	502	-	0.00%	-	0.00%	-
G42	271	100.00%	274,435	100.00%	1,013	-	0.00%	-	0.00%	-
G43	49	100.00%	377,229	100.00%	7,778	-	0.00%	-	0.00%	-
G51	4	100.00%	159	100.00%	42	-	0.00%	-	0.00%	-
G52	62	100.00%	112,827	100.00%	1,830	-	0.00%	-	0.00%	-
G53	85	100.00%	1,185,925	100.00%	13,925	-	0.00%	-	0.00%	-
T1	20	100.00%	994,987	100.00%	50,167	-	0.00%	-	0.00%	-
Total	497	100.00%	2,948,948	100.00%	5,938	-	0.00%	-	0.00%	-

1998-S	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	-	-	-	-	-
R3,R4	-	-	-	-	-	-	-	-	-	-
G41	7	100.00%	172	100.00%	25	-	0.00%	-	0.00%	-
G42	271	100.00%	234,149	100.00%	865	-	0.00%	-	0.00%	-
G43	49	100.00%	278,897	100.00%	5,750	-	0.00%	-	0.00%	-
G51	4	100.00%	-	#DIV/0!	-	-	0.00%	-	0.00%	-
G52	62	100.00%	172,928	100.00%	2,804	-	0.00%	-	0.00%	-
G53	85	100.00%	1,756,947	100.00%	20,630	-	0.00%	-	0.00%	-
T1	20	100.00%	1,288,308	100.00%	64,957	-	0.00%	-	0.00%	-
Total	497	100.00%	3,731,400	100.00%	7,514	-	0.00%	-	0.00%	-



D.T.E. 04-1

First Set of Information Request

Table 1 Transportation Service

1997-W	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	-	-	-	-	-
R3,R4	-	-	-	-	-	-	-	-	-	-
G41	1	100.00%	1,247	100.00%	1,360	-	0.00%	-	0.00%	-
G42	15	100.00%	55,365	100.00%	3,691	-	0.00%	-	0.00%	-
G43	13	100.00%	248,651	100.00%	19,375	-	0.00%	-	0.00%	-
G51	-	-	-	-	-	-	-	-	-	-
G52	10	100.00%	38,551	100.00%	3,887	-	0.00%	-	0.00%	-
G53	27	100.00%	867,875	100.00%	31,946	-	0.00%	-	0.00%	-
T1	19	100.00%	1,354,310	100.00%	71,279	-	0.00%	-	0.00%	-
Total	85	100.00%	2,565,998	100.00%	30,248	-	0.00%	-	0.00%	-

1997-S	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	-	-	-	-	-
R3,R4	-	-	-	-	-	-	-	-	-	-
G41	1	100.00%	213	100.00%	233	-	0.00%	-	0.00%	-
G42	15	100.00%	13,156	100.00%	877	-	0.00%	-	0.00%	-
G43	13	100.00%	109,940	100.00%	8,567	-	0.00%	-	0.00%	-
G51	-	-	-	-	-	-	-	-	0.00%	-
G52	10	100.00%	59,319	100.00%	5,982	-	0.00%	-	0.00%	-
G53	27	100.00%	854,386	100.00%	31,450	-	0.00%	-	0.00%	-
T1	19	100.00%	1,128,571	100.00%	59,398	-	0.00%	-	0.00%	-
Total	85	100.00%	2,165,583	100.00%	25,528	-	0.00%	-	0.00%	-

D.T.E. 04-1

First Set of Information Request

Table 1 Transportation Service

1996-W	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	-	-	-	-	-
R3,R4	-	-	-	-	-	-	-	-	-	-
G41	-	-	-	-	-	-	-	-	-	-
G42	6	100.00%	472	100.00%	472	-	0.00%	-	0.00%	-
G43	5	100.00%	11,049	100.00%	1,105	-	0.00%	-	0.00%	-
G51	-	-	-	-	-	-	-	-	-	-
G52	1	100.00%	11,389	100.00%	5,695	-	0.00%	-	0.00%	-
G53	5	100.00%	55,792	100.00%	6,199	-	0.00%	-	0.00%	-
T1	20	100.00%	1,451,484	100.00%	71,974	-	0.00%	-	0.00%	-
Total	37	100.00%	1,530,186	100.00%	41,356	-	0.00%	-	0.00%	-

1996-S	Capacity Exempt					Non-Capacity Exempt				
Rate	# of Cust	% of Total	MMBTU	% of Total	Use/Cust	# of Cust	% of Total	MMBTU	% of Total	Use/Cust
R1,R2	-	-	-	-	-	-	-	-	-	-
R3,R4	-	-	-	-	-	-	-	-	-	-
G41	-	-	-	-	-	-	-	-	-	-
G42	6	100.00%	1,592	100.00%	265	-	0.00%	-	0.00%	-
G43	5	100.00%	21,214	100.00%	4,243	-	0.00%	-	0.00%	-
G51	-	-	-	-	-	-	-	-	-	-
G52	1	100.00%	16,273	100.00%	16,273	-	0.00%	-	0.00%	-
G53	5	100.00%	123,707	100.00%	25,595	-	0.00%	-	0.00%	-
T1	20	100.00%	1,062,229	100.00%	52,673	-	0.00%	-	0.00%	-
Total	37	100.00%	1,225,015	100.00%	33,109	-	0.00%	-	0.00%	-

Information Request DTE-LDC-1-7

Please provide information on marketers serving the Company's service territory during the period 1996-present on a seasonal basis (heating and non-heating seasons) as depicted in Table 3: "Active Marketers"

Response (Supplemental)

Please see Attachment DTE-LDC-1-7.

NSTAR Gas Company

D.T.E. 04-01

Table 3: Active Marketers

<u>Year</u>	<u>2003</u>		<u>2003</u>		<u>2003</u>	
<u>Marketer</u>	<u>Winter(MMBtu)</u>	<u>% of Total</u>	<u>Summer(MMBtu)</u>	<u>% of Total</u>	<u>Total(MMBtu)</u>	<u>% of Total</u>
Marketer #11	47	0.00	28	0.00	75	0.00
Marketer #12	40,091	0.10	16,715	0.13	56,806	0.11
Marketer #13	471,775	1.20	200,629	1.58	672,404	1.29
Marketer #4	815,817	2.08	463,511	3.66	1,279,327	2.46
Marketer #5	2,618,447	6.67	1,324,597	10.45	3,943,044	7.59
Marketer #6	1,977,810	5.03	767,074	6.05	2,744,884	5.28
Marketer #8	1,734,022	4.41	611,355	4.82	2,345,377	4.51
Marketer #9	8,019	0.02	2,339	0.02	10,359	0.02
Total	7,666,028	19.52	3,386,248	26.72	11,052,276	21.27
Total Sendout	39,281,803	100.00	12,674,192	100.00	51,955,995	100.00

NSTAR Gas Company

D.T.E. 04-01

Table 3: Active Marketers

<u>Year</u>	<u>2002</u>		<u>2002</u>		<u>2002</u>	
<u>Marketer</u>	<u>Winter(MMBtu)</u>	<u>% of Total</u>	<u>Summer (MMBtu)</u>	<u>% of Total</u>	<u>Total(MMBtu)</u>	<u>% of Total</u>
Marketer #2	163,064	0.47	58,008	0.37	221,072	0.44
Marketer #3	280,200	0.80	156,798	1.01	436,998	0.87
Marketer #10	92,309	0.26	114,618	0.74	206,926	0.41
Marketer #4	373,005	1.07	327,212	2.11	700,217	1.39
Marketer #5	1,465,672	4.20	1,085,826	6.99	2,551,498	5.06
Marketer #6	513,055	1.47	189,202	1.22	702,257	1.39
Marketer #8	849,648	2.44	434,184	2.80	1,283,832	2.55
Marketer #9	1,580,622	4.53	1,020,562	6.57	2,601,184	5.16
Total	5,317,575	15.24	3,386,408	21.81	8,703,983	17.26
Total Sendout	34,889,359	100.00	15,529,076	100.00	50,418,435	100.00

NSTAR Gas Company

D.T.E. 04-01

Table 3: Active Marketers

<u>Year</u>	<u>2001</u>		<u>2001</u>		<u>2001</u>	
<u>Marketer</u>	<u>Winter(MMBtu)</u>	<u>% of Total</u>	<u>Summer(MMBtu)</u>	<u>% of Total</u>	<u>Total(MMBtu)</u>	<u>% of Total</u>
Marketer #1	404	0.00	155	0.00	558	0.00
Marketer #2	189,902	0.54	45,005	0.35	234,907	0.49
Marketer #3	742,470	2.12	417,952	3.21	1,160,422	2.41
Marketer #4	225,314	0.64	142,254	1.09	367,568	0.76
Marketer #5	1,841,829	5.25	883,797	6.79	2,725,626	5.67
Marketer #6	539,402	1.54	196,875	1.51	736,278	1.53
Marketer #7	88,384	0.25	25,122	0.19	113,506	0.24
Marketer #8	760,167	2.17	280,831	2.16	1,040,998	2.17
Marketer #9	2,258,762	6.44	1,295,461	9.96	3,554,222	7.39
Total	6,646,633	18.96	3,287,452	25.27	9,934,085	20.67
Total Sendout	35,054,006	100.00	13,009,132	100.00	48,063,138	100.00

Information Request DTE-LDC-1-12

Please provide information on gas and capacity costs for the period 1996-present on a seasonal basis (heating and non-heating seasons) as it is depicted in attached Table 5: "Gas and Capacity Costs"

Response (Supplemental)

Please see Attachment DTE-LDC-12. NSTAR Gas' GAF filings with the DTE develop a single GAF used for all firm sales customers. Table 5 below provides the response covering the GAFs in effect from Off-Peak 1996 through the current period, Off-Peak 2004. The information in the table uses the definition of commodity cost from the GAF and firm sales volumes to calculate average gas costs and the definition of demand charges from the GAF and firm sales volumes to calculate the average capacity cost. All other components of the GAF including surcharges and reconciling adjustments are included in the category "Other".

Table 5  
NSTAR Gas and Capacity Costs (\$/Dth)

<u>Season/Year</u>	<u>Ave. Gas Cost</u>	<u>Ave. Capacity Cost</u>	<u>Total GAF</u>	<u>Volume (Dth)</u>	<u>GAF Other</u>
Off-Peak 2004	\$6.952	\$1.012	\$5.976	8,023,931	(\$1.988)
Peak 2003-04	\$6.537	\$1.652	\$8.121	28,862,036	(\$0.068)
Off-Peak 2003	\$6.808	\$0.920	\$8.180	8,777,461	\$0.452
Peak 2002-03	\$4.622	\$1.688	\$6.139	27,582,994	(\$0.172)
Off-Peak 2002	\$3.803	\$1.049	\$3.828	8,045,120	(\$1.023)
Peak 2001-02	\$3.877	\$1.591	\$5.261	29,536,300	(\$0.206)
Off-Peak 2001	\$6.377	\$1.208	\$7.912	7,668,000	\$0.327
Peak 2000-01	\$5.507	\$2.003	\$7.608	26,752,000	\$0.098
Off-Peak 2000	\$3.101	\$1.304	\$4.015	9,133,000	(\$0.390)
Peak 1999-00	\$3.079	\$1.615	\$4.543	29,079,000	(\$0.151)
Off-Peak 1999	\$2.181	\$1.139	\$4.302	9,030,000	\$0.982
Peak 1998-99	\$2.594	\$2.102	\$4.552	29,087,000	(\$0.145)
Off-peak 1998	\$2.687	\$1.151	\$3.608	9,334,000	(\$0.230)
Peal 1997-98	\$2.667	\$1.796	\$4.732	29,903,000	\$0.270
Off-Peal 1997	\$2.317	\$1.299	\$3.581	9,217,000	(\$0.035)
Peak 1996-97	\$2.541	\$2.270	\$4.217	29,315,000	(\$0.594)
Off-Peak 1996	\$2.177	\$1.407	\$2.898	9,241,000	(\$0.687)